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110TH CONGRESS
1ST SESSION

H. R. 4751

To amend title XI of the Social Security Act to provide that annual Social Security account statements indicate, in estimating the level of projected benefits of eligible individuals, the effect on such benefits levels of benefit reductions which may be necessary, in the absence of future legislative remedies, by reason of anticipated insolvency of the Social Security Trust Funds.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. McCARTHY of California introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title XI of the Social Security Act to provide that annual Social Security account statements indicate, in estimating the level of projected benefits of eligible individuals, the effect on such benefits levels of benefit reductions which may be necessary, in the absence of future legislative remedies, by reason of anticipated insolvency of the Social Security Trust Funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “More Transparent and
3 Honest Communications with American Workers Reform
4 Act of 2007”.

5 SEC. 2. NOTICE OF EFFECT ON PROJECTED BENEFIT LEV-
6 ELS OF ANTICIPATED INSOLVENCY OF THE
7 SOCIAL SECURITY TRUST FUNDS.

8 (a) IN GENERAL.—Section 1143(a) of the Social Se-
9 curity Act (42 U.S.C. 1320b–13(a)) is amended by adding
10 at the end the following new paragraph:

11 “(4) In making estimates of potential old-age insur-
12 ance benefits pursuant to paragraph (2)(D), the Commis-
13 sioner shall—

14 “(A) estimate projected benefits for each eligi-
15 ble individual, assuming the current earnings rate
16 and assuming, in the alternative, retirement at age
17 62, at the applicable normal retirement age, and at
18 age 70,

19 “(B) in any case in which the projections in the
20 latest report of the Board of Trustees under section
21 201(c) regarding future levels of receipts and dis-
22bursements of the Trust Funds indicate, using inter-
23 mediate assumptions, that the balance in the Trust
24 Funds may become by any specified future date in-
25 sufficient to pay benefits in full when due, indicate
26 the percentage reduction in the level of benefit pay-

ments that could result, without intervening enactment of remedies by the Congress, from such an insufficient balance in the Trust Funds, and

“(C) set forth a separate schedule of such estimated projected benefits of such eligible individual which reflects any such percentage reduction in the case of each retirement alternative described in subparagraph (A) which would occur after the future date referred to in subparagraph (B).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to social security account statements issued after December 31, 2007.

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